

## CLAIMS

What is claimed is:

1. A system for administering variable annuity contracts, said system comprising:

memory means for storing data relating to at least one variable annuity contract of a contractowner, said at least one variable annuity contract having an associated bonus investment credit percentage, associated withdrawal charge percentages for each of a plurality of contract  
5 years, each withdrawal charge percentage being less than or equal to said bonus investment credit percentage, and an asset-based compensation percentage constant over all contract years, said data including said bonus investment credit percentage and a premium amount paid by said contractowner in a first contract year; and

processing means operatively coupled to said memory means configured to read said  
10 bonus investment credit percentage and said premium amount from said memory means and calculate a bonus investment credit by multiplying said premium amount by said bonus investment credit percentage.

2. The system according to claim 1 wherein:

said data further includes a withdrawal charge percentage for said first contract year and an amount to be withdrawn from said variable annuity by said contractowner during said first contract year; and

5 said processing means is further configured to read said withdrawal charge percentage and said withdrawal amount from said memory means and calculate a withdrawal charge by

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multiplying a portion of said withdrawal amount subject to a withdrawal charge by said withdrawal charge percentage.

3. The system according to claim 1 wherein:

said data further includes a withdrawal charge percentage for a year other than said first contract year and an amount to be withdrawn by said contractowner during said other year; and

said processing means is further configured to read said withdrawal charge percentage and  
5 said withdrawal amount from said memory means and calculate a withdrawal charge by multiplying a portion of said withdrawal amount subject to a withdrawal charge by said withdrawal charge percentage.

4. The system according to claim 1 wherein:

said data further includes said compensation percentage; and

said processing means is further configured to read said compensation percentage from  
said memory means and calculate a compensation amount to be paid to a distributor in said first  
5 contract year by multiplying said premium amount by said compensation percentage.

5. The system according to claim 1 wherein:

said data further includes data from which an accumulated contract value can be calculated and said compensation percentage; and

said processing means is further configured to read said accumulated contract value data  
5 and said compensation percentage from said memory means and calculate (1) said accumulated contract value and (2) a compensation amount to be paid to a distributor in a year subsequent to

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said first contract year by multiplying said accumulated contract value by said compensation percentage.

6. The system according to claim 1 wherein said data further includes annuity payout information and said processing means is further configured to calculate and issue payments to an annuitant based on said payout information.

7. The system according to claim 1 wherein said data further includes mutual fund subaccount allocation information and said processing means is further configured to allocate said premium amount among mutual fund subaccounts based on said allocation information.

8. The system according to claim 1 wherein said bonus investment credit percentage is 3%.

9. The system according to claim 1 wherein in the first contract year the withdrawal charge percentage is 3%.

10. The system according to claim 9 wherein in a second contract year following said first contract year the withdrawal charge percentage is 2%.

11. The system according to claim 10 wherein in a third contract year following said second contract year the withdrawal charge percentage is 1%.

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12. The system according to claim 11 wherein in a fourth contract year following said third contract year the withdrawal charge percentage is 1%.

13. The system according to claim 12 wherein in fifth and subsequent contract years following said fourth contract year the withdrawal charge percentage is 0%.

14. A method of administering of variable annuity contracts, said method comprising the steps:

storing data relating to at least one variable annuity contract of a contractowner in a memory means, said at least one variable annuity contract having an associated bonus investment credit percentage, associated withdrawal charge percentages for each of a plurality of contract years, each withdrawal charge percentage being less than or equal to said bonus investment credit percentage, and an asset-based compensation percentage constant over all contract years; said data including said bonus investment credit percentage and a premium amount paid by said contractowner in a first contract year;

reading said bonus investment credit percentage and said premium amount from said memory means; and

calculating a bonus investment credit by multiplying said premium amount by said bonus investment credit percentage.

15. The method according to claim 14:

wherein said data further includes a withdrawal charge percentage for said first contract year and an amount to be withdrawn from said variable annuity by said contractowner during said first contract year; and

5 including the additional steps of reading said withdrawal charge percentage and said withdrawal amount from said memory means and calculating a withdrawal charge by multiplying a portion of said withdrawal amount subject to a withdrawal charge by said withdrawal charge percentage.

16. The method according to claim 14:

wherein said data further includes a withdrawal charge percentage for a year other than said first contract year and an amount to be withdrawn by said contractowner during said other year; and

5 including the additional steps of reading said withdrawal charge percentage and said withdrawal amount from said memory means and calculating a withdrawal charge by multiplying a portion of said withdrawal amount subject to a withdrawal charge by said withdrawal charge percentage.

17. The method according to claim 14:

wherein said data further includes said compensation percentage; and

including the additional steps of reading said compensation percentage from said memory means and calculating a compensation amount to be paid to a distributor in a first contract year by  
5 multiplying said premium amount by said compensation percentage.

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18. The method according to claim 14:

wherein said data further includes data from which an accumulated contract value can be calculated and said compensation percentage; and

including the additional steps of reading said accumulated contract value data and said  
5 compensation percentage from said memory means and calculating (1) said accumulated contract value and (2) a compensation amount to be paid to a distributor in a year subsequent to said first contract year by multiplying said accumulated contract value by said compensation percentage.

19. The method according to claim 14:

wherein said data further includes annuity payout information; and

including the additional steps of reading said payout information from said memory means and calculating and issuing payments to said annuitant based on said payout information.

20. The method according to claim 14 wherein:

said data further includes mutual fund subaccount allocation information; and

including the additional steps of reading said mutual fund subaccount allocation  
information from said memory means and allocating said premium amount among mutual fund  
5 subaccounts based on said allocation information.

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